

## Albania: OSHEE Takes Over Concession Agreements

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The process of transferring concession power purchase agreements with private producers, from company KESH to OSHEE, was successfully completed. The Albanian Ministry of Energy and Industry estimates that this week's signing of power purchase agreements between the concessionaire Energji ASHTA and the company OSHEE, reflects completion of a very important phase of energy sector reform - dividing operator functions and preparing for the establishment of the organized electricity market.

Based on the new Albanian Law on Energy Sector from April 2015 KESH shall have no obligation to purchase electricity produced in small hydropower plants, but it will perform its primary function of electricity producer, which will allow optimum use of available resources.

After changing the type of power purchase agreement, which was approved by the ERE, all concession companies signed new contracts with OSHEE, ending a dispute initiated by the Association of small hydropower plants, due to the uncertainty that may arise as a result of changes of electricity customer.

Ministry of Energy claims that the situation has developed in quite opposite direction, given that the Government has paid all the arrears to small hydropower plants in the amount of 9.1 billion leks (EUR 66.9 million) and that produced electricity is paid regularly, which increases liquidity and allows the repayment of bank loans.